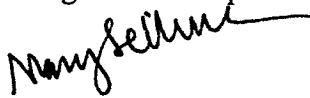


March 29, 2000

TO: Federal-State Management Group

FROM: Mary Selkirk



SUBJECT: Meeting Outcomes, March 28, 2000

The following is a brief summary of outcomes from the CALFED Federal-State Management Group meeting held on Tuesday, March 28, 2000.

**1. Announcements and Followup**

- Endangered Species Act letter - Jim Monroe, USBR, explained the draft letter which he had handed out. The boilerplate language is to be used in letters to USBR from each of the co-lead agencies to express their concurrence with the findings of the Biological Assessment prepared for the CALFED Bay-Delta Program. USBR would then transmit this information to USFWS and NMFS for the purpose of initiating joint formal Section 7 consultation over possible impacts to species listed under the ESA that may result from the implementation of the Program.

**Outcome:** Co-lead agencies are to provide comments on the letter.

- Report back on CALFED Science Program - Steve Ritchie said a draft of the memo outlining the tasks to be addressed would be released the following day.
- USBR Mid-Pacific Region to Department of Interior regarding Policy Group recommendations for approval of funding Bay-Delta "Other Such [non-ecosystem] Activities" - Rick Breitenbach, CALFED staff, distributed the notification of approval of CALFED recommendation for Fiscal Year 2000 programs and projects, which were contained in a letter sent from Lester Snow to Mark Schaefer, Acting Assistant Secretary - Water and Science, Department of the Interior.

**2. State-Federal Discussions**

- Report on 3/27/2000 meeting - Alf Brandt, Club FED Coordinator, reported that the meeting held the previous day in San Francisco went very well. There appears to be an agreement on what the issues are. There was a general consensus that if we do not have an EWA, we don't have CALFED.
- Regional Strategies: Sacramento Valley Region - Noel Williams, USBR Consultant, delivered the presentation which USBR has developed to brief top managers on its efforts in California. The state has been broken up into 5 regions. The presentations will try to focus on elements common to each of the regions. In the Sacramento Valley region there are specific action which are being considered among which are:
  - Heavy metal source remediation, such as Iron Mountain Mine
  - Watershed programs, such as on Battle Creek
  - Funding environmental restoration programs, such as purchasing easements for habitat restoration.

- Screening diversions
- Removing fish passage barriers, such as clearing Saelzer Dam
- Enlarging Shasta Dam. Raising the dam 6.5 feet would increase the pool of cool water at the bottom of the lake for releases during the winter-run chinook salmon migration
- Improving the Red Bluff Diversion facility and fish ladder.
- Establishing meander zones.

Pete Rabbon, The Reclamation Board, asked about the lack of flood management discussion in the presentation. Alf said the Corps has been involved in discussions on flood management; but that this presentation provides only action highlights and does not include all things.

3. **Report back on Governance** - Kate Hansel was currently in a BDAC Governance meeting being held across the hall.

*Outcome:* Kate would report the outcomes at next Management Group's meeting.

4. **Water Management Strategy Evaluation Framework: The First Report Card** - Paul Brown of Camp, Dresser and McKee consultant firm, lead the presentation on the Water Management Strategy Evaluation Framework. This presentation is being refined to be used to brief top-level officials on water supply, water quality and fisheries impacts with relationship to the alternatives based on the Programmatic EIS/EIR. Mark Cowin, Water Management Program Manager, requested Management Group's input on the presentation. There were a number of concerns expressed including the lack of agricultural modeling results and a problematic level of confidence with the statistics provided.

*Outcome:* There will be a revised presentation given in the future which will incorporate recommendations made by Management Group.

5. **South Delta Program-- Report back on ERP actions** - Rick Soehren, CALFED South Delta ERP Coordinator, requested Management Group concurrence for CALFED to move forward with a proposal for DWR to pay for the purchase of Fay Island as mitigation for a small planned dredging project; and for CALFED to include restoration of Fay Island as part of the south Delta Ecosystem Restoration Program.

There were several disadvantages associated with the purchase: Department of Fish and Game would be asked to take custody of CALFED project land in the Delta sooner than expected, and the purchase would be more complex mitigation for DWR than simply buying into a mitigation bank. Rick felt, however, that the benefits outweighed the disadvantages because it would allow CALFED a big leg up in moving quickly to "raise the baseline" of ecosystem health in the Delta.

Kathy Kelly, DWR, was concerned that it may be premature to ask for concurrence before she has time to work out CEQA and other concerns with DWR staff.

*Outcome:* Steve Macaulay said DWR will study the purchase of Fay Island and come back with its recommendation next week.

## **6. Integrated Storage Investigation**

- Mark Cowin reported that 25 proposals for the Conjunctive-Use grant money (\$21.5 million in FY 2000) were received before the 3 p.m. deadline last Friday. Preliminary review indicates the proposals cover a wide area of California .
- Naser Bateni, Chief of DWR Integrated Storage Investigation Unit, reported on DWRs Surface and Groundwater Conjunctive Use Management component of the ISI. The special team is comprised of Anthony Saracino, CALFED; Tom Meagher, USACE; Mark Meeks, DWR; and Liz Howard, USBR. The goal of the program is to assist local agencies with improving regional water supply reliability by increasing coordinated use of surface and ground water. DWR on behalf of CALFED and local agencies and basin stakeholders will conduct a technical, economic, social and environmental feasibility evaluation of possible conjunctive management projects within each basin. American River Basin and San Joaquin County have already signed the Final MOU for participation; discussions are underway with Westlands Water District, Yuba County Water agency, Coachella Valley Water District, LADWP - San Fernando Valley, Chino Basin and Butte County.

Full-scale project development and implementation will proceed in basins that demonstrate local approval of feasible alternatives, subject to funding availability. Program funding will come from ISI State General Fund, Proposition 13, USACE, USBR and CALFED grant for pilot projects.

- Liz Howard commented on USBR conjunctive-use efforts with regard to CVP water users.